



## Conn. AG says Better Business Bureau using 'pay to play' by giving better ratings to members

By **STEPHANIE REITZ**, Associated Press

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HARTFORD, Conn. - Connecticut's attorney general is pushing the Better Business Bureau to stop what he calls a pay-to-play system that gives its members a ratings boost over nonmembers.

Richard Blumenthal, who will soon leave his state job to replace Christopher Dodd in the U.S. Senate, sent a letter Friday to the Arlington, Va.-based Council of Better Business Bureaus about its letter-grade system, a method it adopted last year in place of the previous satisfactory/unsatisfactory ratings.

He said his review found that BBB members' grades include extra points unavailable to nonmembers, a practice he called unfair to consumers who assume the companies are being judged equally.

Blumenthal wants the organization to either stop linking ratings to membership or, failing that, to tell consumers when a company's

grade was influenced by joining the BBB. Dues range from a few hundred dollars to more than \$5,000, depending on a business' size.

"This financial influence is potentially harmful and misleading to consumers," said Blumenthal, who wants the group to change its rating system by mid-December.

Alison Southwick, spokeswoman for the national BBB, said its officials have been talking with Blumenthal and believe they can satisfy his concerns.

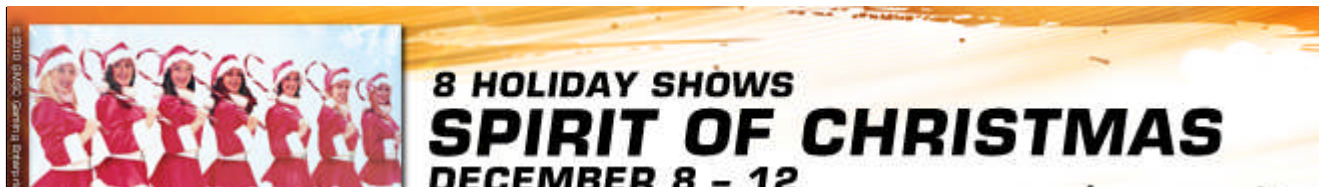
"We disagree with his characterization that BBB does not adequately disclose the fact that accredited businesses financially support BBB," she said. "However, we are always interested in hearing from our partners in consumer advocacy, and are pleased to accept constructive feedback from his office and other consumer advocates."

Blumenthal's letter came as ABC News reported that it was airing an investigation Friday on its "20/20" news magazine program into BBB ratings.

The network said it had videotaped instances in which two Los Angeles business owners

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were promised, and later given, A-plus ratings if they paid \$395 membership fees. ABC also reported that a group of Los Angeles business-owners paid \$425 to join the BBB as a fake company called Hamas — named after the Islamic militant group — and secured an A-minus grade.

The Los Angeles Times, several consumer-oriented websites and other media outlets also have reported on questions over the rating system since it was introduced last year.

BBB national president and chief executive officer Steve Cox told ABC News that the instances its reporters found were caused by errors and sales violations by employees, and did not reflect the BBB's policies.

TicketNetwork Inc., an online ticket exchange, recently sued the Connecticut Better Business Bureau over the rating method, saying it constitutes a deceptive business practice. The case, filed in September, is pending in a Connecticut court.

Howard Schwartz, a spokesman for the Connecticut BBB, said he could not comment directly on the Connecticut lawsuit, but that much of the information they receive about companies comes directly from consumers.

"The (Connecticut) Better Business Bureau never has, does not and never will exchange rating points for dues," Schwartz said. "There are companies on a monthly basis which we refuse because they do not embody our ethical standards or standards for trust. It's not a situation where someone just says, 'I'd like to be accredited by the BBB.'"

The Better Business Bureau, which has 122 local bureaus across the U.S. and Canada, announced in 2009 that it was adopting the letter-grade system.

It says the method gives better information to consumers as they seek details on companies' service, response to complaints, quality of products and other factors.

According to literature on its national and branch websites, the BBB says members are not guaranteed higher ratings. However, it says, those companies are closely reviewed when they apply — and that, along with their pledge to follow BBB standards, gives the BBB more confidence and information, which might affect the ratings.

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